



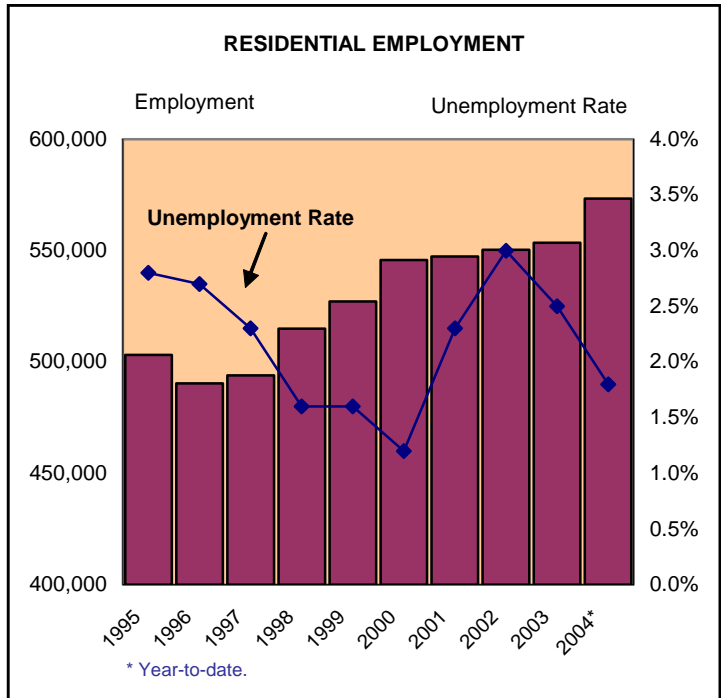
ECONOMIC INDICATORS®

FAIRFAX COUNTY
DEPARTMENT OF MANAGEMENT AND BUDGET

DECEMBER 2004

IN THIS ISSUE:

- The unemployment rate in Fairfax County for September 2004 decreased to 1.8 percent from the revised level of 2.1 percent in August 2004; however, the number of employed County residents has increased 19,220 since September 2003. (See page 1)
- December 2004 Sales Tax receipts for Fairfax County are \$11.8 million, a decline of 1.4 percent from December 2003; however, Sales Tax receipts are up 5.8 percent, fiscal year-to-date. (See page 2)
- The number of new residential permits issued through November increased 60.8 percent while new nonresidential permits have declined 21.2 percent during the same period. (See page 3)
- Sales volume increased for all existing (previously owned) home types through mid-year 2004, with single family homes experiencing 11.7 percent growth, calendar year-to-date.
- The number of new single family homes purchased has increased 17.0 percent, calendar year-to-date. (See page 6)
- Both the Fairfax County Coincident and Leading Indices increased in October 2004. (See pages 7 and 8)



Source: Virginia Employment Commission. Compiled by the Fairfax County Department of Management and Budget.

Employment

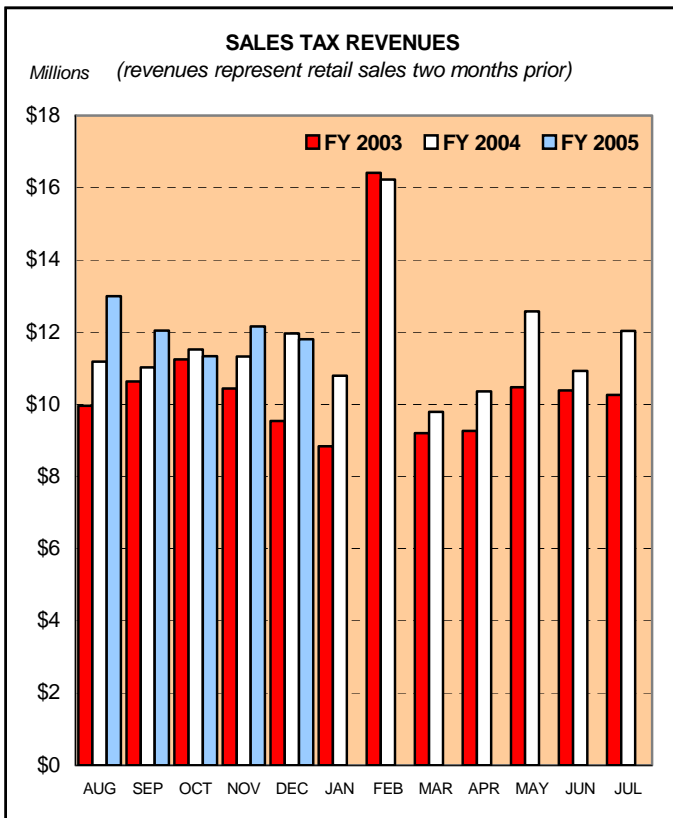
As reported by the Virginia Employment Commission (VEC), the September 2004 unemployment rate in Fairfax County decreased to 1.8 percent from the revised level of 2.1 percent in August 2004. Over the year, the number of employed Fairfax County residents has risen 19,220 to 573,379 through September 2004, an increase of 3.5 percent. During this period, the unemployment rate in Fairfax County fell 0.9 percentage points from 2.7 percent in September 2003 to the current 1.8 percent.

The September unemployment rate in Virginia decreased to 3.3 percent, 0.4 percentage points lower than in August 2004. The September 2004 national unemployment rate was 5.4 percent.



The Fairfax County Economic Indicators is on the Web and can be accessed at:

<http://www.fairfaxcounty.gov/comm/economic/economic.htm>



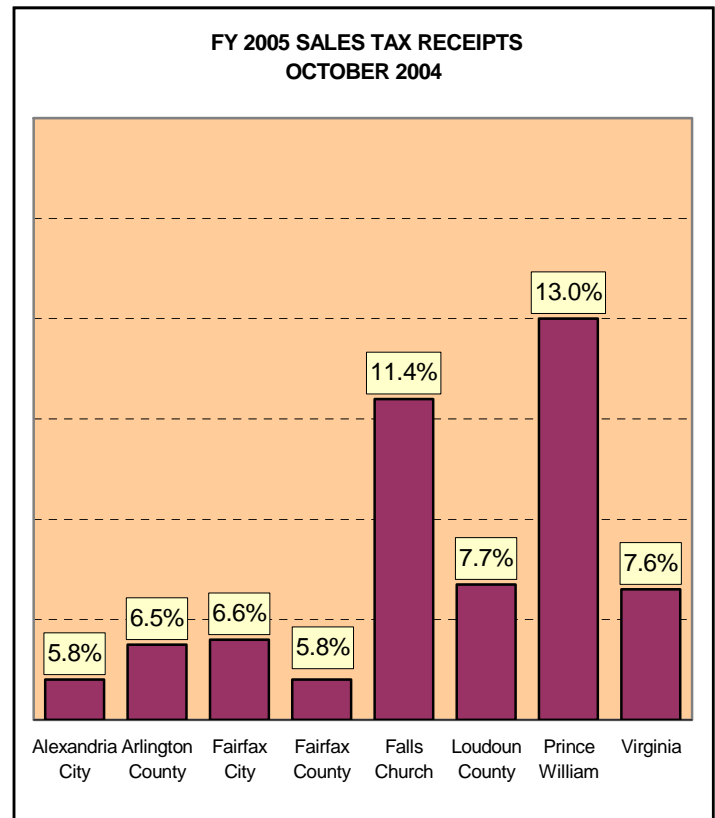
Source: Virginia Department of Taxation. Compiled by the Fairfax County Department of Management and Budget.

Fairfax County Sales Tax Receipts

December Sales Tax receipts for Fairfax County, representing retail purchases made in October, are \$11.8 million, a decrease of 1.4 percent from December 2003. This is only the second decline from the previous year since February 2004. Through the first five months of FY 2005, Sales Tax receipts are up 5.8 percent over the same period in FY 2004.

National Retail Sales

According to the Commerce Department, seasonally adjusted preliminary November 2004 retail sales estimates for the U.S. increased 0.1 percent over the previous month and increased 7.2 percent over November 2003. Compared to last year, health and personal care stores are up 3.3 percent; building materials and garden equipment have increased 12.8 percent; retail store sales have increased 7.2 percent; and gasoline station sales are up 24.0 percent.



Source: Virginia Department of Taxation. Compiled by the Fairfax County Department of Management and Budget.

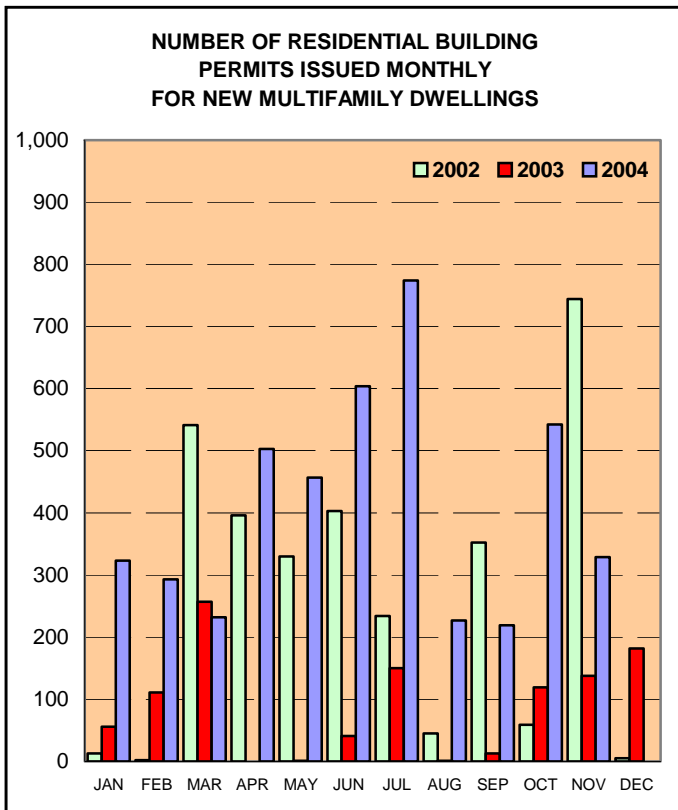
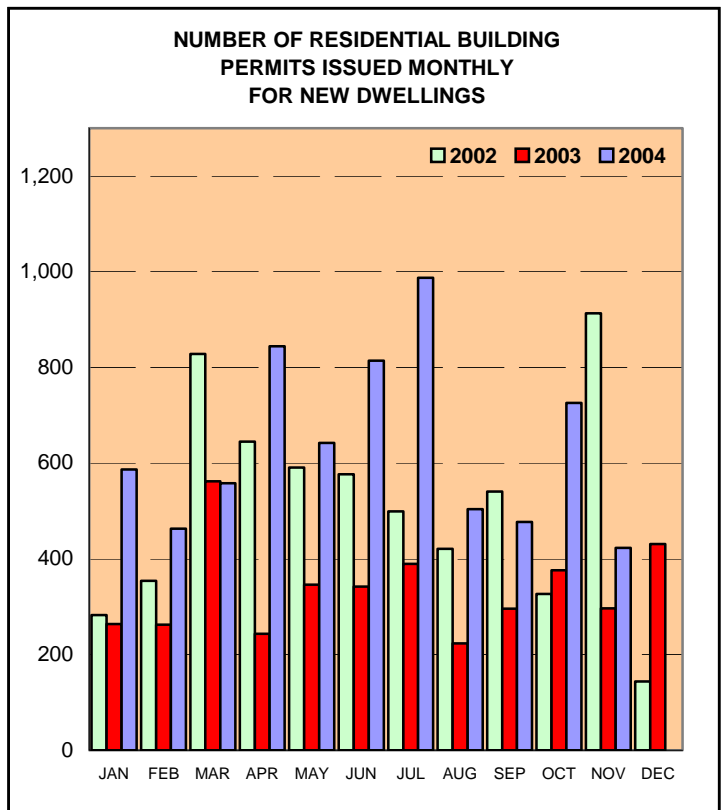
Neighboring Jurisdictions

All Northern Virginia localities reported growth in Sales Tax receipts through the first five months of FY 2005. Sales Tax receipts are up significantly in Prince William County at 13.0 percent and Falls Church at 11.4 percent. Sales Tax receipts in Fairfax City are up 6.6 percent; Fairfax County, 5.8 percent; Alexandria City, 5.8 percent; Arlington County, 6.5 percent, and Loudoun County, 7.7 percent. Statewide Sales Tax receipts increased 7.6 percent from August through December over the same period of 2003.

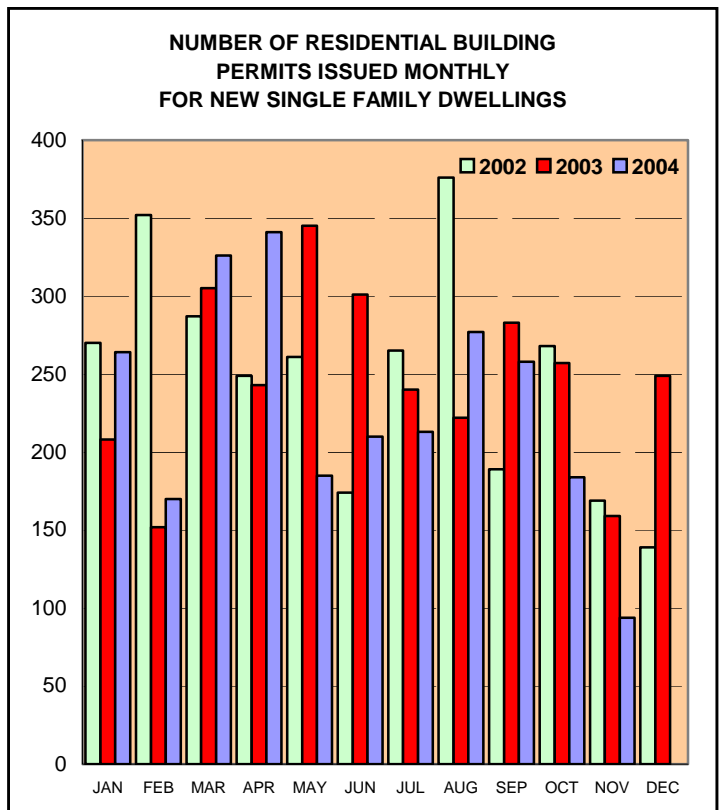
Building Permits

Issues of new residential dwelling permits recorded a strong gain in November 2004, increasing 60.8 percent to 423 permits from 263 permits in November 2003. The 7,025 permits issued during the first eleven months of calendar year 2004 exceed that of the same period last year by a margin of 97.6 percent, or 3,469 permits. Through the first eleven months of calendar year 2004, 4,503 multifamily permits have been issued, over five times the 869 permits issued during the same period last year. Single family permits issued through November 2004 total 2,522, down 6.1 percent or 165 permits, calendar year-to-date.

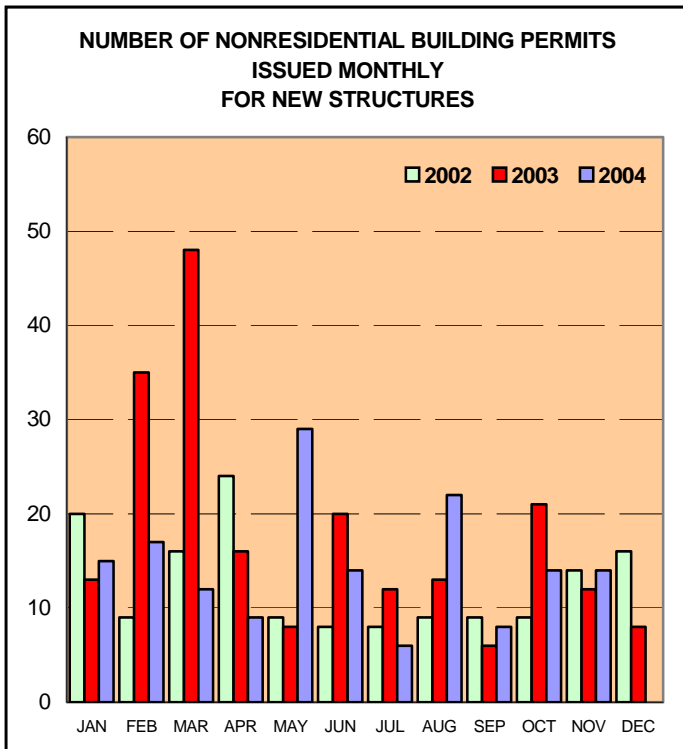
Residential repair and alteration permits issued through November 2004 are 4,316, a decline of 5,897 permits or 57.7 percent from the same period last year.



NOTE: In February 2002, only two permits were issued; in April 2003, no permits were issued; in August 2003, only one multifamily permit was issued and therefore, the bars are too small to discern.



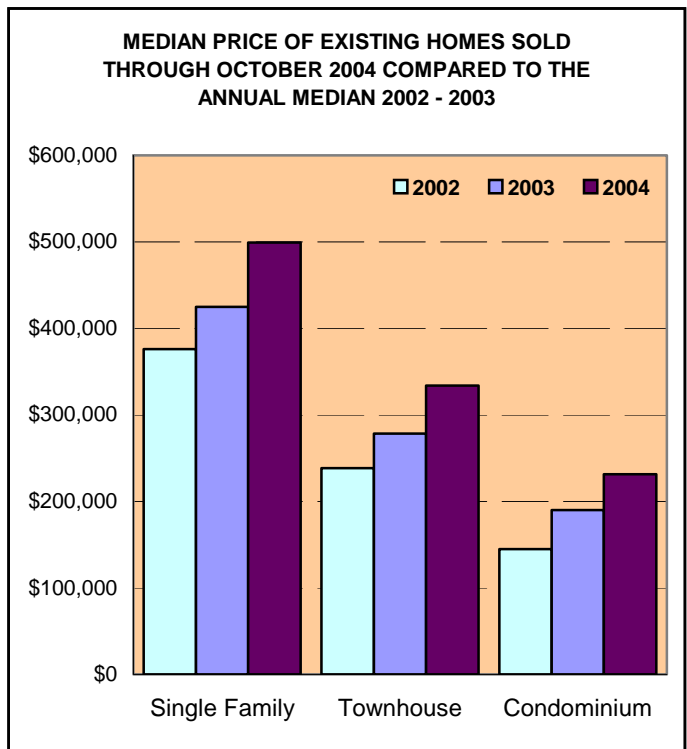
Source of data for all above charts: Fairfax County Department of Public Works and Environmental Services. Compiled by the Department of Management and Budget.



Source: Fairfax County Department of Public Works and Environmental Services. Compiled by the Fairfax County Department of Management and Budget.

Nonresidential Building Permits

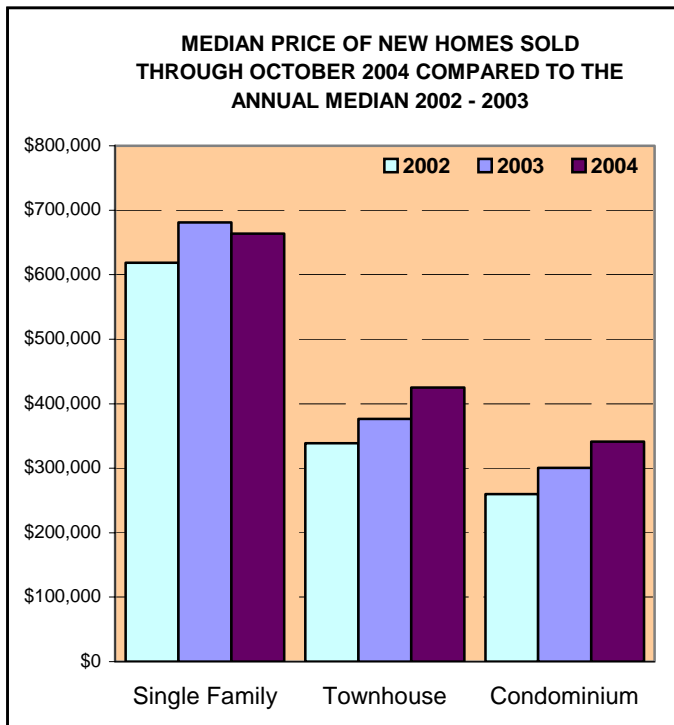
The number of nonresidential building permits issued in November (14) increased over the same month last year for the third time in four months. New nonresidential building permits issued in 2004; however, are still down year-to-date. Through November 2004, 160 nonresidential building permits have been issued, down 21.2 percent or 43 permits from the same period last year. Nonresidential repair and alterations permits issued through November 2004 were 3,561, an increase of 8.7 percent or 286 permits over the same period last year.



Source: Fairfax County Department of Tax Administration. Compiled by the Fairfax County Department of Management and Budget.

Existing Home Sales Prices

All types of existing (previously owned) homes in Fairfax County have experienced strong growth in median sales prices during the first ten months of 2004. For existing single family homes, the median sales price increased to \$499,000, as compared to the 2003 median of \$424,900, representing growth of 17.4 percent. The 2004 median for townhomes grew to \$334,000 from the 2003 median of \$278,350, reflecting growth of 20.0 percent. The median for condominiums increased to \$231,325 in 2004 from \$189,900 in 2003, representing growth of 21.8 percent.



Source: Fairfax County Department of Tax Administration. Compiled by the Fairfax County Department of Management and Budget.

New Home Sales Prices

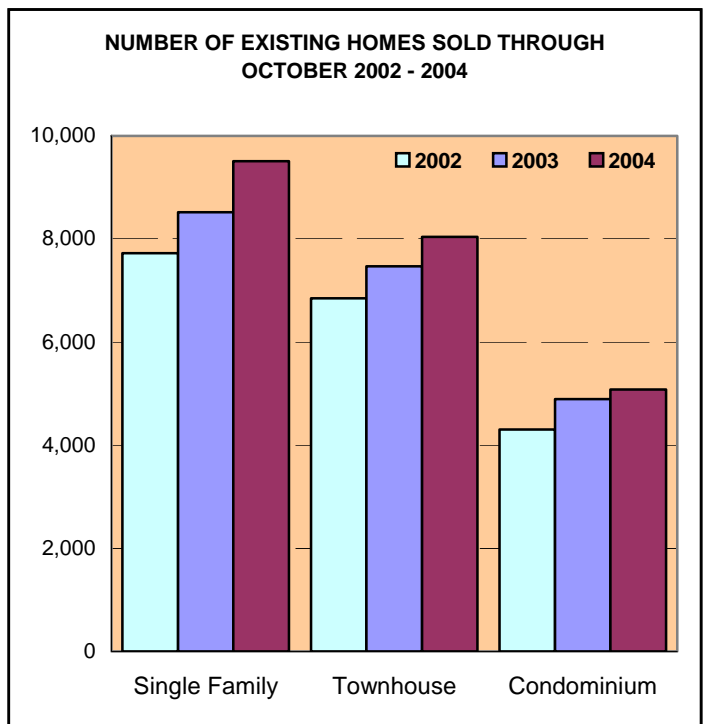
The median sales prices of new townhomes and condos in Fairfax County have experienced growth through August 2004 while the sales price of single family dwellings has decreased. For new single family homes, the median sales price decreased to \$663,800 from the 2003 median sales price of \$680,842, reflecting a decline of 2.5 percent. The 2004 median for townhomes grew to \$424,975 from the 2003 median of \$376,440, reflecting growth of 12.9 percent. The 2004 median sales price for condominiums increased to \$341,350 from \$300,370 in 2003, representing growth of 13.6 percent.

PERCENTAGE CHANGE IN MEDIAN PRICE OF HOMES SOLD YEAR-END 2003 COMPARED TO SALES THROUGH OCTOBER 2004

	Existing Sales	New Sales
Single Family	17.4	(2.5)
Townhouse	20.0	12.9
Condominium	21.8	13.6

Changes in selling prices, coupled with the volume of sales, are generally considered reasonable indicators of the County's real estate market. Median selling price increases do not translate directly into assessment adjustments, however, since the mix of homes sold is not necessarily reflective of the County's entire housing stock. Changes in median selling prices are comparisons to the prices of homes sold during the prior year, and the type of homes sold (i.e., model, size, age, location, etc.) varies from one year to the next. The key factor in real estate assessments is not the change in the median sale price, but the relationship of assessments to selling prices within neighborhoods. To read more about Fairfax County tax assessments, please visit:

www.co.fairfax.va.us/dta/tax_assessment.htm

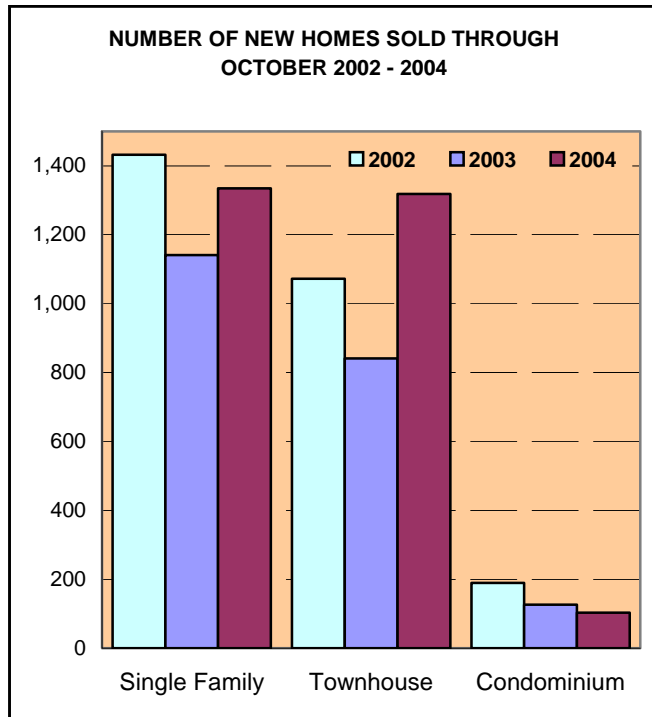


Source: Fairfax County Department of Tax Administration. Compiled by the Fairfax County Department of Management and Budget.

Existing Home Sales Volume

Sales volume for existing (previously owned) homes is up for all home types through October 2004. Sales of existing single family homes have increased to 9,510 from 8,516, reflecting growth of 11.7 percent. Sales volume of existing townhomes increased through October 2004 to 8,040 from 7,470, reflecting growth of 7.6 percent over the same period last year. Existing condominium sales reported through October 2004 increased 3.8 percent from 4,894 to 5,078.

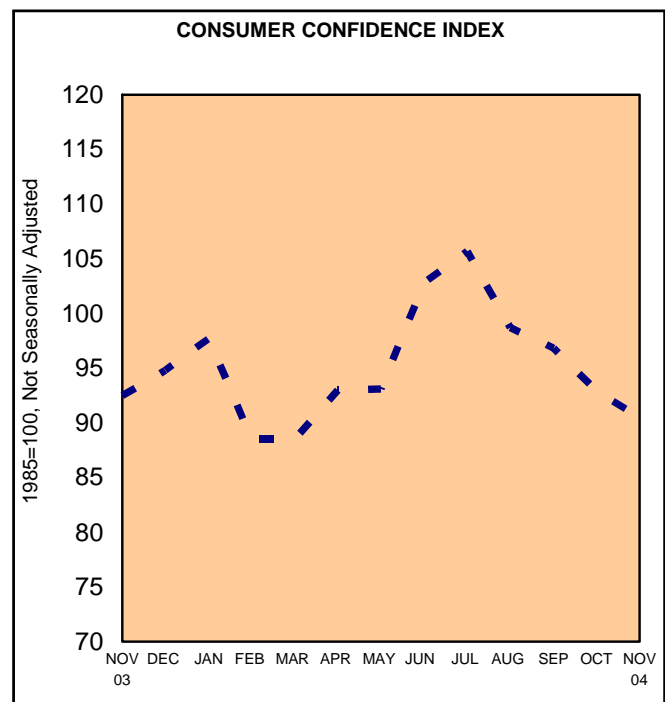
ADDITIONAL INDICATORS



Source: Fairfax County Department of Tax Administration. Compiled by the Fairfax County Department of Management and Budget.

New Home Sales Volume

The volume of new condominiums homes sales has fallen during the first ten months of calendar year 2004 while the number of new townhomes and single family homes has increased. Sales volume of new single family homes increased from 1,141 to 1,335 through October 2004, reflecting an increase of 17.0 percent. Sales of new townhomes increased 56.7 percent, from 841 to 1,318 during the same period. New condominium sales through October 2004 reflect a decline of 18.3 percent, decreasing to 103 from 126, as reported for the same period last year.



Source: The Conference Board. Compiled by the Fairfax County Department of Management and Budget.

Consumer Confidence Index

The Conference Board reports that the Consumer Confidence Index decreased 2.4 points in November 2004. The Index is 90.5, compared to 92.9 recorded in October 2004.

The Consumer Confidence Index is composed of two separate indices: the Present Situation Index and the Expectations Index. In November 2004, the Present Situation Index increased to 95.2 from 94.0 points, a 1.2 point gain from last month. The Expectations Index decreased to 87.4 from 92.2 for the previous month.

The employment outlook remains cautious with a higher percentage of consumers expecting fewer jobs to be available in the next six months to those expecting more jobs to be available.

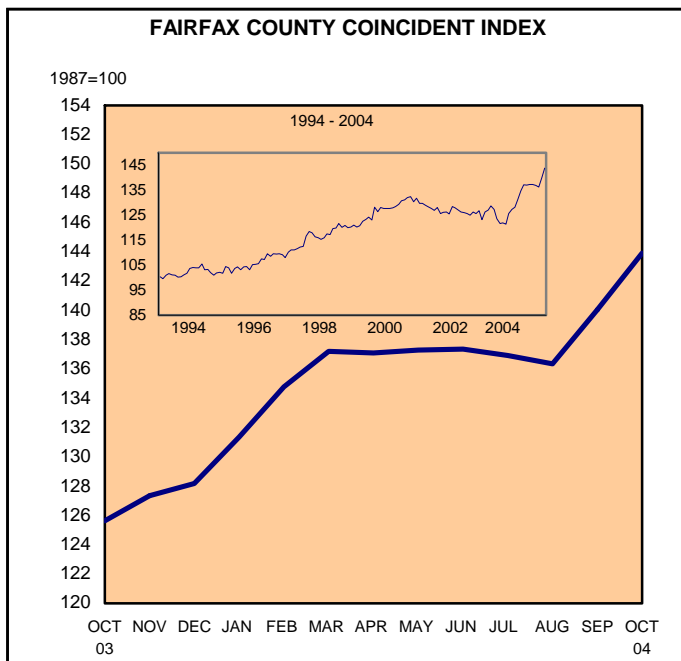
The following section includes a discussion of economic indices for two different geographic entities. The coincident indices assess current economic performance, while the leading indices signal what economic conditions will be in the coming months for the respective economies. Fairfax County's Indices are discussed first, followed by the Metropolitan Indices, which consider the Washington Metropolitan economy. Together, these indices are intended to provide a broad assessment of the economic climate confronting, and likely to impact, County residents and businesses.

Fairfax County Coincident Index

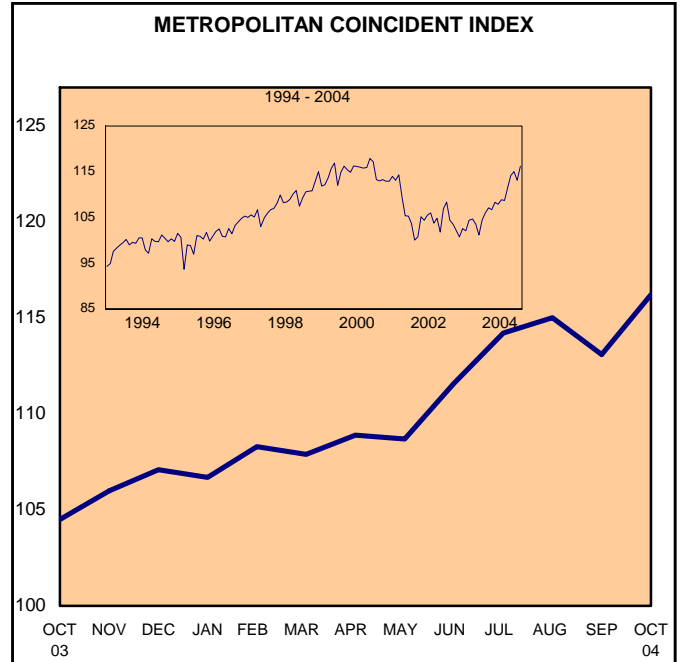


The Fairfax County Coincident Index, which represents the current state of the County's economy, increased to 143.9 in October 2004, a 2.8 percent increase over September 2004. In addition, the Index has increased twelve consecutive months over last year's same-month value and is currently 9.2 percent above its October 2003 level.

In October, all of the Index's four components contributed to its increase. Consumer Confidence (in the present) increased for the second consecutive month; transient occupancy tax collections, adjusted for inflation and seasonal variation, increased for the second consecutive month; sales tax collections, adjusted for inflation and seasonal variation, increased for the fifth time in six months, and total employment increased for the twentieth consecutive month.



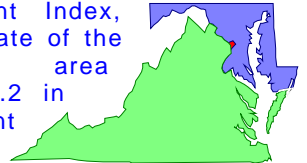
Source: Center for Regional Analysis, George Mason University. Compiled by the Fairfax County Department of Management and Budget.



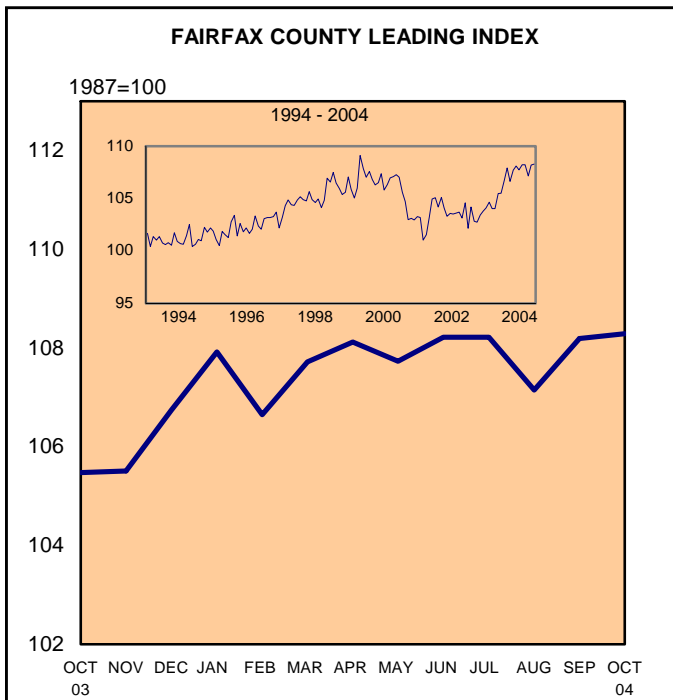
Source: Center for Regional Analysis, George Mason University. Compiled by the Fairfax County Department of Management and Budget.

Metropolitan Coincident Index

The Metropolitan Coincident Index, which reflects the current state of the Washington Metropolitan area economy, increased to 116.2 in October 2004, a 2.7 percent increase over September 2004. The Index has now exceeded its same-month value from last year for eleven consecutive months and is up 9.3 percent over its October 2003 level.



In October, all four the Index's components were positive. Domestic passenger volume at Reagan National and Dulles Airports increased significantly, 17.2 percent, and is up for the fifth consecutive month. In addition, nondurable goods retail sales increased for the second consecutive month; Consumer Confidence (in the present) increased for the second consecutive month after two consecutive months of decline; gains in wage and salary employment slightly increased and remains up 2.6 percent over October 2003.



Source: Center for Regional Analysis, George Mason University.
Compiled by the Fairfax County Department of Management and Budget.

Fairfax County Leading Index



The Fairfax County Leading Index, which is designed to forecast the performance of the County's economy 9 to 12 months in advance, increased slightly to 108.3 in October 2004, a 0.1 percent increase over September. The Index is currently up 2.7 percent over its October 2003 level.

In October, three of the Index's five components contributed to its increase. Consumer expectations (consumer confidence six months hence) increased for the fifth time in six months; residential building permits issued gained for the third consecutive month; and, the total value of residential building permits increased for the fourth time in five months. Conversely, initial claims for unemployment insurance increased (worsened) in October for the first time in four months and new automobile registrations decreased after two second consecutive month.

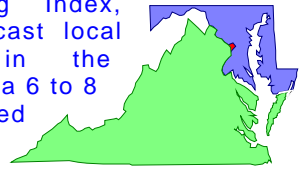
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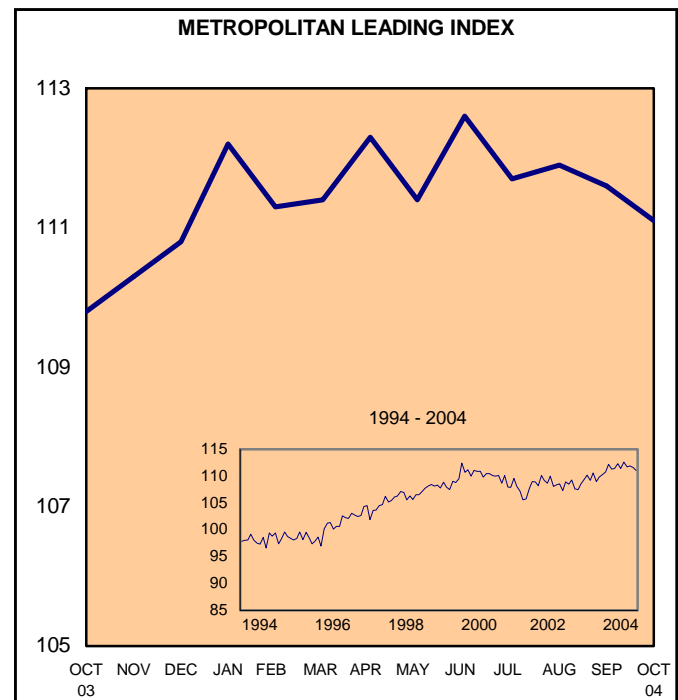
Staff: Susan Datta, Director; Marcia Wilds and John Garneski, analysts.

Metropolitan Leading Index

The Metropolitan Leading Index, which is designed to forecast local economic performance in the Washington Metropolitan area 6 to 8 months in advance, decreased to 111.1 in October 2004, a decrease of 0.5 percent from September.



In October, four of the Index's five components contributed to its decline. Total residential building permits decreased for the first time after two consecutive monthly increases; initial claims for unemployment insurance increased (worsened) in October after being up two consecutive months; the Help Wanted Index decreased for the third time in four months; and durable goods retail sales decreased for the second consecutive month. In contrast, Consumer Expectations increased for the fifth time in six months.



Source: Center for Regional Analysis, George Mason University.
Compiled by the Fairfax County Department of Management and Budget.